



EAST BAY REGIONAL PARK DISTRICT

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EDUCATIONAL SESSION: "FUND RAISING IN YOUR COMMUNITY"

Convention Center
San Diego, California

Sunday, March 4, 1979
9:00 a.m. to 10:30 a.m.

Presentation by Richard C. Trudeau General Manager, East Bay Regional Park District

Over the past twenty years both industry and business have gone through an interesting metamorphosis. Back in 1969 Seattle civic leader Hugh A. Smith, speaking to a West Coast United Fund gathering, said that industry was losing the public's confidence and called for greater industry contributions to the community along with the concomitant of "telling its story" better to the public in its own self-interest. The same message has been given on countless occasions by Louis Lundborg, retired chairman of the Board of the Bank of America. But few industries heard or heeded the messages and business has undergone a decline in public understanding and esteem since, particularly among young people.

During this time the public has clamored for more public services from local, state, and federal governments. As a result, government has grown and taxes have increased. But the clamor for more services did not diminish. As with business, other leaders issued warnings to governmental agencies that they could not solve all of society's problems alone and that they would create false expectations among citizens, with the pressures building for higher and higher taxes. Inevitably they pointed out this would lead to a loss of public confidence in government and a revolt against the high taxes. But, as with industry, the warnings went unheeded by most governmental agencies. And today government at all levels is in the same position industry was a few years ago.

I don't have to tell you what happened in California on June 6, 1978, and what the passage of Proposition 13 has done to the finances and public services offered by park and recreation departments. Nor is the end in sight, since we have Mr. Gann's new initiative, the so-called "Spirit of 13", slated for the ballot in June of 1980. Political leaders from Governor Brown and Speaker McCarthy to our legislators have their own panaceas for either curtailing government spending or reforming the tax structure. We may even wind up with a constitutional convention on the question of a limit to government spending at the federal level.

At the same time this is going on, we are also in an era of leisure undreamed of fifty years ago. This has resulted in an ever increasing demand for more park and recreation services. Even since the passage of Proposition 13 and the inevitable higher fees and reduced hours of public service, the numbers of people flocking to park and recreation facilities has increased in most areas of this state. Thus, faced with the twin realities of budget reductions and the demand for more recreation services, we must creatively learn to cut costs and to find alternate sources of funding.

One cardinal point should be clear. No single person has the panacea for locating the "golden treasure" which can keep parks and recreation programs on an even keel financially. Staff, department heads, Board members, friends, important citizens in the community, business leaders, tax specialists, other public officials, and legislators all can perform important roles in assisting you in finding other sources of funding.

There are many ways to cut costs. There are also a variety of ways to increase revenues. Among these are membership campaigns. I have copies of our flyer, "Have you hugged a tree today?" which gives some background on the membership program at our District. Foundations - your own or those of others - can provide you with funding as "seed money" for innovative projects or can be used to "match" grants and other gifts. One notable example since last June was the establishment of a new fund by the San Mateo Foundation for the express purpose of receiving tax-savings money from corporations or individuals for support of parks, libraries, and other community services hit hard by Proposition 13. Our District, along with others, has aggressively pursued additional funds for park purposes for a number of years from gifts, grants, wills and bequests.

Corporate giving, however, looms larger on the horizon than any other private source if we are prepared to "make our case" for such gifts. There have been many examples of corporate donations to park programs which have been of mutual benefit:

- (1) The Kemper family in Jackson County, Missouri, gave land valued at \$125,000 for the county's first Nature Center, with the land value used as the "match" for a Land and Water grant. The Kemper family also contributed a house on that property valued at \$200,000 which is being remodeled with the federal funds for the Nature Center. Then the Kemper Trust provided \$15,000 for planning and will contribute \$20,000 more for solar heating and air conditioning.

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- (2) Both the Datsun Company and the Oakland Tribune made substantial contributions to a tree planting program at our District when we had to replace eucalyptus trees killed or badly damaged in an unusual freeze a few years ago.
 - (3) Sunset Magazine gave \$25,000 to the Menlo Park Recreation and Park Department and the Hewlett-Packard Company gave \$25,000 to the Mountain View Recreation and Park Department - just after the passage of Proposition 13 last June. Both gifts were for maintenance and operation of recreational facilities during the past summer.
 - (4) Kaiser Aluminum and Checmial Corporation "adopted" the Roberts Regional Recreation Area in Oakland under a "partnership" arrangement which we anticipate will continue for a number of years. The initial gift was \$15,000 in cash, plus help with renovation of some facilities.

It is the latter concept, our District's "adopt-a-park" program on which I would like to concentrate for a few minutes. This is only a new idea in its adaptation to the park and recreation field. The concept is a simple one. We are actively soliciting industry to adopt one of our park and recreation facilities by underwriting some of the costs of maintaining, operating, or improving that facility on at least a three year basis. What the company's funds are used for is decided after joint consultation between their representatives and District staff. Since the Roberts Regional Recreation Area serves a large minority and lower income level population, it was suggested that the Kaiser Aluminum Corporation underwrite "free admission" to the park on a number of days, including the Fourth of July when the park attracts many lower income groups who can least afford to pay the parking fee of \$2. This will benefit park users and will give the company appropriate recognition as well. As befits a "partnership" arrangement, their engineer has inspected the old and inadequate irrigation system used at the ballfield with the thought of replacing it by using their own staff and materials. Our catalogue of "needs" for this park runs from the replacement of play equipment in the children's play area and the construction of a new public restroom to a solar blanket or pool cover for the pool and ultimately a dome covering the pool.

The key points in the "adopt-a-park" concept are the three year "adoption" period or longer and the flexible nature of what is done, along with the "hands on" assistance of the appropriate staff of the Corporation.

Of significance is the fact that both Cornell Maier, Kaiser Aluminum's President, and Dick Spees, the Corporation's Vice President of Public Affairs for the Western Region, are actively involved in the project. With their help we expect to extend this program to a number of other businesses or industries during 1979. This past week we sent proposals on invitation to the top men Standard Oil in Richmond, the Clorox Company, and Dean Witter Reynolds and Company. We hope the fine publicity we have gotten will inspire others to want to help also.

In my opinion, however, these private financing efforts could be but the "tip of the iceberg" because of some dramatic new developments in the corporate giving arena. Under way is a study by the Stanford Research Institute, funded by HUD, of the possibility of extending the Minnesota Corporate Community's "Five Per Cent Investment Club" to California and several other areas in the country. Launched three years ago by the Minneapolis Chamber of Commerce, the 5 Per Cent Club was based on the 30-year practice of the Dayton-Hudson Corporation wherein companies pledge contributions of at least 5 percent of their pre-tax earnings to various charitable, educational, and community services. As you are aware the Internal Revenue Service permits up to 5 percent write-off for such corporate charitable giving. The credo of the 5 Per Cent Club is "business must serve better the society of which it is a part." David Koch, president of the Minneapolis Chamber in 1976, who is a strong supporter of the program puts it well, saying: "The salvation of the system is based on support of the system... by actions which can be communicated to the public. Every company should make a 'conscience decision' on how much to give."

What this has meant to Minnesota recipients can be seen by the \$16 million contributed in 1977 by publicly held corporations in the Minneapolis-St. Paul area, with a statewide total of \$28 million. While housing for low income groups, the arts, education, and support for minority causes received the largest share of such donations, parks were also included. One land contribution made by the Northern States Power Company and included in the value above is significant because of its size. The Power Company's initial gift was 3,000 acres along the St. Croix River but the total acreage to be donated by 1980 is 25,000 acres.

As I mentioned earlier, the contributions of the Dayton-Hudson Corporation over a thirty year period provided the initial spark and this Company donated more than \$5 million in 1976. The philosophy of Wayne Thompson, Vice President of the Corporation and President of the Dayton-Hudson Foundation is worth repeating:

"The new generation places a high value on a corporation's good citizenship record. A lot of young people want to feel that... they are doing something for the community... A healthy business climate comes from a healthy social climate. If we're going to have a stable society, people's needs must be met... It's the only way to restore credibility for American business and industry."

Thompson, a former City Manager in Oakland and Richmond, is behind the Stanford Research Institute study and hopes the United States Chamber of Commerce will promote the idea of the 5 Per Cent Club. He points out that if every business in the country gave 5 percent, some \$10 billion would be released from the private sector, providing substantial relief for government programs. When you realize that the national average for corporate giving to community projects in 1976 was less than 1 percent (.86%) of their pre-tax income, you can envision the potential if the concept of the 5 Per Cent Club spreads. Can you imagine the benefit to our communities? Park and recreation programs, with their emphasis on the quality of life, physical fitness, and focus on the urban impacted areas offer visible and virtually "motherhood" type programs for business contributions.

Today for perhaps the first time many corporations are seeking out worthwhile projects for their contributions. Just a few months ago the Wells Fargo Bank gave \$1.2 million of its Proposition 13 savings - divided between public television, high-risk loans for housing rehabilitation in deteriorating areas, and to handle crisis needs of United Way member agencies. The United California Bank donated \$1 million in Proposition 13 savings, with half going to the six largest California United Way chapters for allocation to agencies most adversely affected by Proposition 13 cutbacks and half going to twenty-four independent colleges. Both Kaiser Aluminum and Chemical Corporation and the Clorox Company have aided public schools in the Oakland area and helped fund neighborhood rehabilitation.

Hence, private funding for park and recreation facilities in urban areas, for maintenance and operation of recreational facilities which may be closed otherwise and thus be subject to vandalism and deterioration, or for new parklands or facilities is possible if we have the creativity to propose projects which will benefit business as well as ourselves. We must also have the patience to realize that it will take time between our initial requests and the receipt of contributions, as well as the help of key civic and business leaders in our own communities.

There are already some tools to help you - and more will be coming. The Pacific Southwest Regional Office of the Heritage Conservation and Recreation Service has been spearheading efforts to tell our story to the corporate sector and in particular to the California Roundtable, which is composed of the 80 largest California-based firms. They have put together some excellent material on the opportunities for corporate involvement in supporting leisure services which I commend to you. I would be happy to make available to you a presentation I made to an Industrial Association in eastern Contra Costa County as another example. I have also proposed that CPRS pick up the ball on corporate funding now by hiring a corporate giving specialist, probably from a United Way organization, to work with the California Roundtable and the corporations such as Wells Fargo, the United California Bank, the Bank of America, and others in the interests of the park and recreation field in California. I believe that such a position can also be funded, at least on a one-year basis, by an outside foundation or firm. The time to do this is now. It is obvious that those of us who manage park and recreation programs do not have the time to devote to this which is necessary. And most do not have the background in fund raising at this level to achieve the maximum results. On Friday afternoon I made this proposal to the Board of CPRS.

The experience of the Dublin-San Ramon Services District is also worth noting. In December voters turned down an advisory proposal assessing each household \$5 a month to finance fire, park and recreation services. Had it been approved, the assessment would have raised \$350,000. Community centers and park facilities were then "mothballed." When citizens in those communities realized what this meant, some of them have formed associations to take over the management and operation of some of these facilities in their own self-interest. This idea may work in some of your communities as well.

While all of these ideas for financial assistance can be valuable, particularly during these times of real financial crisis, there is no substitute for a stable, long-term taxing base. Even Howard Jarvis recognized this fact and indicated that recreation was one of the services which properly should be supported (at least in part) by taxes. Obviously what we can expect from the property tax is limited. The Post Commission and the State Legislature are considering sharing the sales tax with local government. While we work on corporate giving and volunteer efforts, we must not forget that a stable, long-term tax base will not come without a great deal of effort on our part.

We are in a new era today which calls for innovative financing efforts, in which more than ever we must involve not only our Board members and staff but the entire community -- from park users to community, civic, and business leaders.

Perhaps the message was succinctly stated by Britain's great Victorian statesman and writer, John Morley, who wrote that "Great economic and social forces flow with a tidal sweep over communities that are only half conscious of that which is befalling them. Wise statesmen are those who foresee what time is thus bringing, and endeavor to shape institutions and to mold men's thoughts and purposes in accordance with the change that is silently surrounding them." Proposition 13 gave us the message and it is up to us to react accordingly in a bold and innovative fashion in the best interests of those who look to us for a continuation of park and recreation services.

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